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NEWS

NGFA urges federal agencies to reconsider bank capital proposals

In [comments](#) submitted on Dec. 11 to federal banking agencies, NGFA and eight other agricultural groups said recent proposals to overhaul bank capital rules would have unintended consequences for the U.S. derivatives markets and make hedging more expensive for all market participants.

“We are very concerned that any contraction in the availability of clearing services will have a disproportionate impact on agricultural end-users that are far outside the major financial centers, especially smaller entities such as grain elevators and family farms,” the comments stated. “We urge you to modify the proposals so that they do not disincentivize banks from providing this important service to their customers.”

In July 2023, the Federal Reserve, the Federal Deposit Insurance Corporation (FDIC), and the Office of the Comptroller of the Currency launched a proposal to increase capital requirements for banking organizations with total assets of \$100 billion or more by replacing the current capital framework with what is known as Basel III endgame reforms. The Federal Reserve Board also issued a proposal to revise the surcharge calculation for U.S. global systemically important banks (GSIBs). The pair of proposals would have a “significant impact on the availability of clearing services,” NGFA noted.

Although the proposals would apply directly to large banking organizations, the rules would have far broader indirect impacts on customers and financial markets. Importantly, the strength of central clearing depends on the participation of banks and other institutions as members of clearinghouses, noted NGFA and the other groups.

The proposal could reduce the already low number of firms available to provide clearing services to agricultural end-users.

“This is an expensive business, and we are concerned that two recent capital proposals will make it even more expensive,” they said. “For agricultural end-users, hedging is like insurance...But not at any price. If the cost of using cleared derivatives rises too high, they will switch to using uncleared derivatives, or simply abandon hedging.”

Both the capital proposal and the GSIB surcharge proposal are open for public comment until Jan. 16, 2024.

Biden administration releases annual regulatory agenda

By Jess McCluer, Vice President, Safety and Regulatory Affairs

The Biden administration recently released its [fall 2023 regulatory agenda](#), which provides a complete list of all regulatory actions that are under active consideration for promulgation, proposal, or review and covers regulatory actions for over 60 federal departments, agencies, and commissions.

The [regulatory agenda for the Department of Labor](#) includes a total of 24 regulatory entries for OSHA-specific actions. In this year’s regulatory agenda, there are five regulatory actions in the pre-rule stage. Twelve regulatory actions are in the proposed rule stage including those specific to the grain, feed and processing industry, including [Emergency Response](#), [Powered Industrial Trucks](#), and [Walking Working Surfaces](#). Seven regulatory actions are in the final rule stage, including [Hazard Communication](#).

The [Lockout/Tagout](#) update has been moved to a long-term action and a proposed rule is not expected until 2024.

Listed below **are top priority issues** for the agency.

Overtime Rule: In August, DOL proposed a rule to increase the minimum salary for the “white collar” overtime exemption from \$35,568 to \$55,068 annually (equivalent to \$17.10 per hour and \$26.48 per hour, respectively). To be exempt from overtime pay, workers must be paid a salary of at least \$55,068 and must also meet certain job duties for executive, administrative, and professional employees. A final regulation is projected for April 2024.

Infectious diseases: An OSHA proposal addressing workplace infectious disease hazards (such as COVID-19, Severe Acute Respiratory Syndrome [SARS], tuberculosis, chickenpox, shingles, and measles) is not expected until June 2024. The concern is that language from the COVID-19 standard for healthcare workers could be included in the proposal once the standard is promulgated. The final rule for Occupational Exposure to COVID-19 in healthcare facilities is expected in December 2023.

Union Walkaround Regulation: As of now, there is no date for the publication of a final rule to allow union representatives to accompany an OSHA inspector at a non-union workplace. The agency is currently analyzing comments that were submitted in early November.

Heat Illness Prevention in Outdoor and Indoor Settings: There is no date listed for the issuance of a notice for proposed rulemaking on OSHA’s much anticipated and potentially controversial rulemaking to regulate excessive exposure to heat and how employers will have to protect employees.

OSHA Inspectors: The number of OSHA inspectors declined slightly in fiscal year 2023, following a large gain the prior year, according to agency data. The agency had 878 inspectors, a loss of 14 and 1.6 percent fewer than in the year before, which is attributed to ongoing budget uncertainty. The decrease comes after OSHA saw a significant inspector increase in fiscal year 2022, when 142 new positions were filled. At the close of fiscal year 2023, OSHA had 232 area directors and assistant area directors, 15 more than were employed at the end of 2022.

NGFA issues funding update to members

The NGFA Executive Committee approved a request from the NGFA’s president/CEO and treasurer to move a total of \$1 million from NGFA’s checking account to its long-term reserve fund. The decision will move \$500,000 immediately from NGFA’s checking account to the long-term reserve fund and another \$500,000 in approximately one to two months pursuant to NGFA staff ascertaining cashflow needs are being met.

Per NGFA’s Investment Policy Statement, the president and treasurer can recommend the dollar amounts to be placed in the funds and, following the Investment Committee’s review, the Executive Committee has final approval of the total dollar amounts.

NGFA’s Investment Committee – which includes Tom Fernandes, director of commodity finance at Grain Service Corporation; Jeff Hillman, chief executive officer at J.D. Heiskell & Co.; and Michelle Mapes, chief legal and administration officer and corporate secretary at Green Plains Inc. -- reviewed and approved the proposal.

CoBank publishes report on the U.S. rural economy in 2024

CoBank’s Knowledge Exchange recently published its year-ahead report, summarizing “Forces that Will Shape the U.S. Rural Economy” in 2024, including the rise of renewable diesel, congressional gridlock and geopolitical discord.

“The strength of the job market plus big infrastructure investments should spur ongoing economic growth in rural America,” the report summarized. “However, potential pitfalls are on the horizon: Congress continues to delay progress on the farm bill and trade policy while consumers are irrationally pessimistic about the future.”

CoBank President and CEO Tom Halverson said he is optimistic about the prospects for 2024 and expects “the wave of investment in rural industries” to continue. His biggest concerns relate to federal policy, including the ability of Congress and the White House to deliver a new farm bill and to seize the benefits of liberalized international trade for export-dependent industries.

The “Grain, Farm Supply and Biofuels” section of the report authored by Tanner Ehmke notes the biofuel sector carries historically large profit margins into the new year. “Both ethanol producers and soybean crushers are benefiting from rising demand for biofuels,” he noted. “As more oilseed crush plants come online in 2024, demand for oilseeds like soybeans, canola and sunflowers will drive an acreage expansion at the expense of grains.”

[Read the full report here.](#)

EVENTS

Save the Date: NGFA's annual convention is March 17-19

NGFA's 128th annual convention on March 17-19, 2024, in Orlando Fla., at the Omni Orlando Resort at Championsgate. Confirmed speakers include Scoular CEO Paul Maas; Norfolk Southern CEO Alan Shaw; and Nathan Gonzales, the publisher and editor of Inside Elections.

Each year, hundreds of industry members gather for the annual convention where NGFA distributes several awards to industry volunteers, conducts business meetings of each of its committees and the Board of Directors, and announces the results of its most recent election.

SUPPLEMENTS

NGFF is redefining what's possible

For nearly six decades the [National Grain and Feed Foundation](#) has been redefining what's possible for the grain, feed, and processing industry. We advance the efforts of NGFA, serving as a catalyst for productivity, safety, and collaboration. Our commitment to promoting safety and health in the workplace and protecting employees throughout the industry can be seen through our extensive research and education efforts.

The work of the Foundation is made possible through the generous support of passionate association members, corporations and individuals - *individuals like you!*

Won't you please consider a special year-end gift to NGFF? [Donate Now.](#)



NGFA prepares to launch new internal database system

To improve efficiency for its members, NGFA is launching a new database and communications system this month. The system will allow NGFA staff to streamline event registration, dues payments and external communications to NGFA members, among other functions.

No action is needed from members at this time, but all members will be prompted to sign into a new account to pay membership dues and to register for the upcoming annual convention.

Extra Supplements

NGFA in the news:

Feed & Grain: [NGFA's Mike Seyfert reflects on grain industry's progress in 2023](#)

Grain Journal: [NGFA Opposes Broad OSHA Heat Rules](#)

Feed & Grain: [Grain dryer safety during a high moisture harvest \[Podcast\]](#)

Feed Navigator: [Proposed legislation aims to enhance FDA oversight: US House introduces measures to strengthen feed ingredient approval process](#)

Feed & Grain: [Innovative FEED Act introduced in US House of Representatives](#)

American Ag Network: [NGFA Supports the Innovate FEED Act for Novel Feed Additives](#)

Other news:

The Daily Yonder: [States Are About to Dole out Federal Broadband Funding. Not All Are Ready](#)

Feed & Grain: [6 challenges for the global animal feed industry \(log in\)](#)

Reuters: [Biden welcomes 'historic' COP28 deal, cites work needed to reach climate goals](#)

Agri-Pulse [Thompson eyes March for farm bill as staff briefs ag groups; Democrats blast House inaction \(log in\)](#)

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